

**STATE OF SOUTH CAROLINA**

South Carolina Electric & Gas Company Request for  
Approval of Contract for Electric Service with Pure  
Power Technologies, LLC

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF SOUTH CAROLINA****COVER SHEET****DOCKET****NUMBER:** 2010 - 231 - E

(Please type or print)

**Submitted by:** Matthew W. Gissendanner**SC Bar Number:** 76027**Address:** SCANA Corp.  
220 Operation Way, MC-C222  
Cayce, SC 29033**Telephone:** 803-217-5359**Fax:** 803-217-7931**Other:** \_\_\_\_\_**Email:** matthew.gissendanner@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

**DOCKETING INFORMATION** (Check all that apply)

- ☐ **Emergency Relief demanded in petition**      ☐ **Request for item to be placed on Commission's Agenda expeditiously**
- ☐ **Other:** \_\_\_\_\_

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input checked="" type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input checked="" type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



224656  
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Matthew W. Gissendanner  
Senior Counsel

[matthew.gissendanner@scana.com](mailto:matthew.gissendanner@scana.com)

July 2, 2010

**VIA HAND DELIVERY**

The Honorable Jocelyn G. Boyd  
Interim Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive (29210)  
Post Office Drawer 11649  
Columbia, South Carolina 29211

RE: South Carolina Electric & Gas Company  
Request for Approval of Contract for Electric Service with Pure Power  
Technologies, LLC

Dear Ms. Boyd:

Pursuant to 26 S.C. Code Ann. Regs. 103-303, South Carolina Electric & Gas Company ("SCE&G" or "Company") hereby files and seeks approval of a Contract for Electric Service ("Contract") between SCE&G and Pure Power Technologies, LLC ("Pure Power Technologies"), with such approval to be made effective as of May 1, 2010, the effective date of the Contract. The Contract continues through May 1, 2015 unless an early termination is mutually agreed upon by the parties. The Contract is automatically extended thereafter until terminated by either party. The Contract is related to Navistar, Inc.'s ("Navistar") recent decision to acquire certain assets and membership interests of Continental Diesel Systems US, LLC ("Continental"), to manufacture key fuel injection components for its MaxxForce® diesel engines. Renamed Pure Power Technologies, the newly acquired company will further vertically integrate Navistar's research and development, engineering and manufacturing capabilities to produce world-class diesel power systems and advanced emissions control systems. Among Continental's assets acquired by Navistar are a research and development center in Columbia and a manufacturing plant in nearby Blythewood. Pure Power Technologies will operate both of these facilities, thus preventing their closing as previously announced by Continental and allowing many former Continental employees the opportunity to gain positions with the new company.

Due to the commercial sensitivity and proprietary nature of certain provisions of this Contract as well as the highly competitive nature of the industry in which Pure Power Technologies operates, the Company and Pure Power Technologies respectfully request that the

(Continued . . . )

Public Service Commission of South Carolina ("Commission") find that the Contract contains protected information and issue a protective order barring the disclosure of this agreement under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, 26 S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law. Pursuant to S.C. Code Ann. Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion.

To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, we enclose with this letter a redacted version of the Contract that protects from disclosure the sensitive, proprietary and commercially valuable information, while making available for public viewing non-protected information. We also enclose a copy of the unredacted Contract in a separate, sealed envelope and respectfully request that, in the event that anyone should seek disclosure of this unredacted Contract, the Commission notify SCE&G of such request and provide it with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Contract from disclosure.

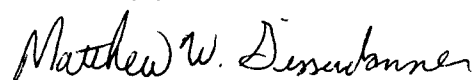
Enclosed are the following:

- (1) A true and correct copy of the original Contract in a sealed envelope marked "CONFIDENTIAL." Each page of the Contract is also marked "CONFIDENTIAL."
- (2) Ten copies of a redacted copy of the Contract for filing and public disclosure.

By copy of this letter, we are providing the South Carolina Office of Regulatory Staff ("ORS") with a redacted copy of the Contract for its records. Additionally, SCE&G will make the original, unredacted copy of the Contract available to ORS for its review.

Thank you for your assistance and consideration of this matter. If you have any questions, please do not hesitate to contact us at your convenience.

Very truly yours,



Matthew W. Gissendanner

MWG/mcs  
Enclosure

cc: Jeffrey M. Nelson, Esquire  
(via hand delivery)

ORIGINAL

South Carolina Electric & Gas Company  
CONTRACT FOR ELECTRIC SERVICE

This original  
to be returned  
to SCE&G Company

Effective Date: 5-1-2010 Contract No.: E 0210014

THE PARTIES HEREIN NAMED AGREE TO THE FOLLOWING

Customer's Legal Name: Pure Power Technologies, LLC  
Trade or Local Name: Pure Power Technologies, LLC  
Premises Served: Manufacturing Plant  
Service Address: 1410 Northpoint Boulevard, Blythewood SC 29016-7300  
Billing Address: 1410 Northpoint Boulevard, Blythewood SC 29016-7300  
Initial Term Ends: 5 Years from Effective Date; Service Date:  
Minimum Notice of Termination: 12 Months after initial term.  
Supply: 23.9/13.8 kV Service Method: 3 (three) Company owned pad mounted transformers  
Delivery: 480/277 Volts, 3 Phase, 4 Wire, Wye Connected  
Point of Service: Secondary terminals of Company's pad mounted transformers  
Metered Voltage: 480/277 Volts; Meter Location: On Company's pad mounted transformers  
Billing Rate: 23 Contract Demand: 1,500 kW Maximum Capacity: 4,000 KVA  
Build Up Period: 6 Months SIC: 3714

Special Provisions/Extra Facilities/Explanations: The purpose of this Contract is to establish an Ownership Change of the Premises Served. See page 2 for additional Special Provisions.

This contract incorporates all general, standard, and special terms hereafter or incorporated by reference, and supersedes all previous oral or written agreements/contracts covering the same service.

Pure Power Technologies, LLC  
By: [Signature] 4-15-10  
Print: JAMES SPAULDING  
Title: STRATEGIC SOURCING MGR

SOUTH CAROLINA ELECTRIC & GAS COMPANY  
By: [Signature]  
Print: William G. Watkins  
Title: Manager - Large Customer Accounts and Services

CLP # E 0210014
RCVD

APPROVED AS TO LEGALITY AND FORM 2/10/10 FBM
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## I. GENERAL

This Contract is being executed between South Carolina Electric & Gas Company (Company) and Pure Power Technologies, LLC (Customer) for themselves, their successors and assigns, in order to establish electric service.

All provisions of the Company's Industrial Power Service Rate 23 and Interruptible Service Rider to Rates 23 and 24 are incorporated herein by reference and are a part of this Contract For Electric Service unless expressly deleted or modified herein.

## II. SPECIAL CONDITIONS

### Contract Rate

Beginning with the Effective Date of this Contract For Electric Service and extending for the five (5) year initial term, Customer will be billed according to a Contract Rate, consisting of: 1) a Basic Facilities Charge; 2) an Energy Charge; 3) a Demand Charge; 4) an Interruptible Credit; and, 5) an Economic Development Credit, as follows:

- 1) **Basic Facilities Charge:** The Basic Facilities Charge is currently included in the Demand Charge for the "First 1,000 KW of Billing Demand" in Industrial Power Service Rate 23 (IPS Rate 23). The Basic Facilities Charge equals the Company's IPS Rate 23 Demand Charge for the "First 1,000 KW of Billing Demand" minus the product of 1,000 times the Demand Charge per KW for the "Excess over 1,000 KW of Billing Demand". These calculations will be based on the Company's IPS Rate 23 in effect at the time of billing.
- 2) **Energy Charge:** The Customer's Energy Charge shall be determined by applying the Energy Charge per kWh in the Company's IPS Rate 23, in effect at the time of billing, to the billing kWh as measured by the Company.
- 3) **Demand Charge:** The Customer's Demand Charge shall be determined by applying the Demand Charge per KW for the "Excess over 1,000 KW of Billing Demand" in the Company's IPS Rate 23, in effect at the time of billing, to the billing kW demand as determined by the Company.
- 4) **Interruptible Credit:** The Customer's Interruptible Credit shall be determined by applying the Interruptible Demand Credit-per KW for Option C in the Company's Interruptible Service Rider to Rates 23 and 24, in effect at the time of billing, to the interruptible kW demand as determined by the Company. The Interruptible Demand Credit-per KW applies to all interruptible kW demand, as determined by the Company, between                      billing demand and                      billing demand.

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- 5) **Economic Development Credit:** The Customer's Economic Development Credit shall be determined by applying the Economic Development Credit Percentages listed below to the net of the Demand Charge and the Interruptible Credit described above.

At the conclusion of the five (5) year Initial Term, billing under this Contract For Electric Service shall be in accordance with the Company's Industrial Power Service Rate 23, in effect at the time of billing, and Interruptible Service Rider to Rates 23 and 24, in effect at the time of billing.

**Maximum Capacity:** The Maximum Capacity in kVA as defined on page 1 of this Contract is the maximum kVA demand that Customer may utilize under this Contract. If Customer exceeds the Maximum Capacity for three consecutive billing periods, the Company may adjust the **Contract Demand** as set forth on page one up to an amount equal to one half (1/2) of the kW demand at the time of the maximum recorded KVA during the year. Such adjustment shall not be made more often than once per calendar year and shall be communicated to the Customer in writing.

### **Termination Charges**

#### **Years 1 through 5: Initial Term**

Should the Customer elect to terminate this Contract during the Initial Term of this Contract For Electric Service, the Customer agrees to pay to the Company a termination charge equal to the sum of the following:

1. The demand termination charge as described in the Standard Conditions attached hereto, as modified in these Special Conditions on page 4;
2. All Economic Development Credits applied by the Company to the Customer's invoices under this Contract; and
3. Any applicable facilities termination charge as described in the Standard Conditions attached hereto

#### **Year 6 and forward**

Should Customer elect to termination this Contract after the Initial Term and fail to give the Company a Minimum Notice of Termination, Customer shall pay to the Company a demand termination charge as described in the Standard Conditions attached hereto, , as modified in these Special Conditions on page 4, and any applicable facilities termination charge as described in the Standard Conditions.

### **Interruptible Service Rider**

Customer desires to take service under SCE&G's Interruptible Service Rider for a portion of its load.

Customer may terminate the Interruptible Service Rider by giving thirty-six (36) months prior written notice to Company at the following address: South Carolina Electric & Gas Company, MC-B102, Cayce, SC 29033-3701.

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Customer's Firm Demand Level (FDL) of \_\_\_\_\_ is the maximum demand Customer can use during a curtailment. The Customer, at its option, may increase the FDL to compensate for load growth by giving 30 days prior written notice to Company.

For billing purposes, **maximum** interruptible demand shall be limited to \_\_\_\_\_ ("maximum interruptible amount"). All kW in excess of this maximum interruptible amount that is used by and billed to Customer will not receive the Interruptible Demand Credit. Customer selects Option C for the interruptible demand credit. The interruptible demand credit for this option is currently \$4.50 per kW with Maximum Annual Curtailment Hours not to exceed 300 per contract year.

### **Distribution Facility Protection**

Company owns and will maintain the pad-mounted transformers, primary cable, primary protective equipment, and metering equipment. Customer owns and will maintain the concrete transformer pads and all circuits and equipment on load side of transformer terminals. Customer agrees to keep transformers and primary cables unencumbered and accessible to Company's maintenance vehicles and to keep transformers protected from vehicular traffic.

### **Facilities**

South Carolina Electric & Gas Company currently supplies Customer with three non-standard 3,500 kVA, 23kV to 480V transformers which were installed to meet the former Customer's load. Company has on site a spare 4<sup>th</sup> transformer. If any of the existing 3,500 kVA transformers should fail and need replacement, Company at its discretion has the right to replace said failed bank with the spare non-standard 3,500 kVA transformer bank located on site or with a standard 2,500 kVA transformer bank.

### **Coincidental Peak Billing**

The monthly billing shall be on one account, based on the arithmetic sum of energy, and the coincidental peak demand as recorded at the 3 metering points during each billing period. The Customer is responsible for the installation, operation and maintenance of phone lines to each meter location for the purpose of reading the meters and billing purposes.

### **Demand Termination Charge:**

For purposes of this contract the last sentence of the **Termination** section of the Standard Conditions on Page 6 of 7 is deleted in its entirety and replaced as follows: Customers who terminate prior to the expiration of the Initial Term or any extension thereof may also be required to pay to Company a demand termination charge equal to Contract Demand (kW) times the firm demand rate in effect at the time of termination times the number of months remaining in the contract period.

### **REGULATORY APPROVAL**

The Customer agrees to support the Company in its request to the South Carolina Public Service Commission to file this Contract under seal. This Contract is subject to the approval of the Commission, and any and all provisions herein are subject to change by order(s) of the Commission.

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## CONFIDENTIALITY

The terms of this Contract are considered confidential by Company and Customer and, as such, neither party shall release same or any of the terms thereof to third parties except as may be reasonably necessary to disclose to employees or agents in the analysis of business issues related to this Agreement on a need-to-know basis (provided such persons are instructed as to the confidential nature of such material) or as may be required by Law. The existence of this Contract is not confidential.

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## STANDARD CONDITIONS

**Supply and Use:** Company agrees to sell and Customer agrees to buy from Company all purchased electric energy, capacity, related transmission services and any related distribution services required by Customer for use on its premises covered hereunder. Resale by Customer of energy, capacity, related transmission or related distribution services is not permitted.

**Creditworthiness:** Company, in order to satisfy itself of the ability of the Customer to meet its obligations under the contract may conduct periodic reasonable credit reviews in accordance with standard commercial practices. Customer agrees to assist in these reviews by providing financial information and at the request of the Company, will maintain such credit support or surety including but not limited to, an unconditional and irrevocable letter of credit to provide adequate security for protection against the risk of nonpayment.

**Service Application, Deposit and Release:** Prior to receiving service, Customer or its Agent must: (a) Ensure that an application for service is made to Company, either in person at one of Company's commercial offices or through the Company representative coordinating the service arrangements; (b) Post a service deposit with Company (as determined by Company in accordance with S.C. Public Service Commission regulations), unless waived by Company in favor of other satisfactory assurance for payment of bills; and (c) Ensure that any inspections required by governmental authorities having jurisdiction are completed and notice thereof is given to the Company.

**Commencement of New Service:** Company and Customer shall make every reasonable effort to have their respective facilities ready for service by the **Service Date** stated on Page 1. If conditions should change, the affected party shall immediately notify the other.

**Assignment:** Neither Party shall assign this Agreement or its rights hereunder without the prior written consent of the other Party, which consent may be withheld in the exercise of its sole discretion.

**Term:** This Contract shall commence on the **Effective Date** (the date on which this contract is fully executed) and shall continue for the full **Initial Term**, unless an early termination is mutually agreed upon. Thereafter, it will extend automatically until terminated by either party giving the other a written **Minimum Termination Notice**. Billing for service rendered hereunder shall commence on the **Service Date** (the date customer contracts for service under the tariff applicable to this contract) or the date that service is first made available, whichever is later, or in accordance with terms stated under **Special Provisions**.

**Termination:** Should Customer terminate this contract and disconnect service for any reason, either during the initial term or any extension thereof unless waived as provided for herein, Customer shall pay to the Company a facilities termination charge equal to (a) the total installed cost of facilities dedicated solely for serving Customer, (b) less any Customer contribution to construction, (c) less accumulated depreciation of the facilities funded by Company, (d) less salvage value of all facilities dedicated solely for serving Customer, (e) plus the cost of removal (including any associated environmental investigation/remediation costs related to a spill or release of hazardous substances caused by Customer or those paid or incurred by the Company which were not the result of negligence on the part of the Company), all as determined by Company in accordance with its standard accounting practices; provided, however, that the termination charge shall not be less than zero. Customers who terminate prior to the expiration of the initial term or any extension thereof may also be required to pay to Company a demand termination charge equal to 90% of the maximum demand set during the term times the demand rate in effect at the time of termination times the number of months remaining in the contract period.

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Company may waive a portion or all of the termination charges where (1) a successor contract is executed prior to termination of this Contract, or (2) Customer is able to furnish Company with satisfactory evidence that a successor customer will occupy the premises within a reasonable time and contract for substantially the same service facilities. If deregulation should occur during the term of this contract, the above demand termination charge, after deregulation, will be determined by appropriate governing authority (ies) rules at that time. The termination charges above shall not preclude additional termination charges approved by the SCPSC or imposed by law.

**Impaired Service:** Customer shall be responsible for installing and maintaining on its system such protective equipment as necessary for protecting its equipment from single phase conditions, momentary interruptions or voltage fluctuations arising from conditions on its system or from Company's supply lines. Customer shall not operate its equipment of such nature and in such manner as to impose voltage flicker, surges, or harmonics on Company's system that adversely affects the Company's system or its service to other Customers. Adverse conditions verifiable as of Customer origin shall be corrected promptly by Customer or upon Notice Company may discontinue service until the conditions are corrected. Customer agrees to keep Company equipment unencumbered and accessible at all times.

**Load Increase:** If Customer contemplates a load increase which may exceed the **Maximum Capacity** stated on Page 1, Customer shall give Company written notice of planned increase, with sufficient lead time for Company to enlarge its facilities. In such cases this Contract may be amended by mutual consent of the parties to reflect any changes in the service characteristics, applicable charges or conditions of service.

**Facility Relocation:** Should Customer request Company to relocate any of its facilities, or take any action which will require Company to relocate its facilities, Customer shall reimburse Company for the costs incurred.

**Hold Harmless:** Company and Customer do respectively assume full responsibility for the maintenance and operation of the facilities owned and/or operated by each, and each shall indemnify and except as hereafter limited, shall hold the other harmless from any loss resulting from bodily injury (including death) or damage of property arising directly or indirectly out of any negligent or willful act or failure to act on the indemnitor's part in the installation, maintenance, operation, replacement and/or removal of the facilities owned and operated by each. Neither party shall be liable to the other in any event, whether in contract, tort or otherwise, for any loss of revenue, profits, use of production, costs of capital or purchased or replacement power, interest, business interruption, claims of customers or any other incidental, indirect or consequential damages of any nature whatsoever. Customer(s) acknowledge(s) the presence of overhead and/or underground power lines and understands that contact with them could cause serious injury or death.

**South Carolina Public Service Commission:** This Contract, the **Billing Rate** referenced on Page 1, and all services rendered hereunder, are subject to the Company's "General Terms and Conditions" as approved by the Commission, and to the "Rules and Regulations" of the Commission, as the foregoing now exist or may be amended in the manner prescribed by law. The billing Rate and General Terms and Conditions are attached and made a part hereof; Rules and Regulations are made a part by reference and are available upon request. This contract is specifically intended to survive deregulation or retail access.

**Bold Print Terms:** Bold Print terms reference the corresponding completed blanks on Page 1.

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For Company